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**MATE YELLOWKNIFE
GOLD MINES LIMITED**

**ANNUAL REPORT
1979**

MATE YELLOWKNIFE GOLD MINES LIMITED

Head Office

P.O. Box 40
Commerce Court West
Toronto, Ontario M5L 1B4

Directors

- * D. J. EMERY
- J. D. KRANE
- G. P. MITCHELL
- * J. D. STREIT
- * R. S. THOMSON
- * Members of Audit Committee

Officers

D. J. EMERY
President

J. D. KRANE
Vice-President

N. H. WITHERELL
Treasurer

J. O. KACHMAR
Controller

Transfer Agent and Registrar

GUARANTY TRUST
COMPANY OF CANADA
Toronto, Ontario

Auditors

THORNE RIDDELL & CO.
Toronto, Ontario

Annual Meeting of Shareholders

April 17, 1980
11:00 a.m. (Toronto Time)
Conference Room
39th Floor
Commerce Court West
Toronto, Ontario

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

The financial statements of your Corporation as at December 31, 1979 with the Auditors' Report thereon, are submitted herewith.

There was no exploration work done on the property during 1979 and none is anticipated in 1980.

On behalf of the Board

D. J. Emery
President

Toronto, Ontario
February 15, 1980

AUDITORS' REPORT

To the Shareholders of
Mate Yellowknife Gold Mines Limited

We have examined the balance sheet of Mate Yellowknife Gold Mines Limited as at December 31, 1979 and the statements of exploration and administrative expenditures deferred and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
January 25, 1980

Thorne Riddell & Co.
Chartered Accountants

MATE YELLOWKNIFE GOLD MINES LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET AS AT DECEMBER 31, 1979

ASSETS

CURRENT ASSET	1979	1978
Cash	\$ 1,768	\$ 1,803
MINING CLAIMS		
Claims acquired for 1,000,000 shares of the company's capital stock issued at 5¢ per share and \$15,000 cash (see note)	65,000	65,000
DEFERRED CHARGES		
Exploration and administrative expenditures deferred (see note)	186,485	178,150
	<u>\$ 253,253</u>	<u>\$ 244,953</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 700	\$ 400
Advance payable to Giant Yellowknife Mines Limited	25,000	17,000
	<u>25,700</u>	<u>17,400</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized — 4,000,000 shares of \$1 each		
Issued — 3,352,651 shares	3,352,651	3,352,651
Less discount on shares	3,114,816	3,114,816
	237,835	237,835
DEFICIT	10,282	10,282
	<u>227,553</u>	<u>227,553</u>
	<u>\$ 253,253</u>	<u>\$ 244,953</u>

Note:

Exploration and administrative expenditures amounting to \$186,485 at December 31, 1979 have been deferred with the intention that they should be amortized along with the cost of mining claims, by charges against income from future mining operations. The recovery of these costs is dependent, therefore, upon the obtaining of adequate financing and the development of an economic mining operation.

Approved by the Board

D. J. EMERY, Director

R. S. THOMSON, Director

MATE YELLOWKNIFE GOLD MINES LIMITED

STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED

YEAR ENDED DECEMBER 31, 1979

	1979	1978
Administrative and general expenditures		
Head office salaries	\$ 1,764	\$ 1,610
Audit fees	550	400
Stock transfer expenses	2,352	493
Fees and taxes	165	52
Reports to shareholders	1,240	1,083
Directors' fees	1,250	1,250
Insurance	900	
Sundry expenses	114	115
EXPENDITURES FOR THE YEAR	8,335	5,003
BALANCE DEFERRED AT BEGINNING OF YEAR	178,150	173,147
BALANCE DEFERRED AT END OF YEAR	<u>\$ 186,485</u>	<u>\$ 178,150</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1979

WORKING CAPITAL APPLIED TO	1979	1978
Administrative and general expenditures for the year, being decrease in working capital position	\$ 8,335	\$ 5,002
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR	15,597	10,595
WORKING CAPITAL DEFICIENCY AT END OF YEAR	<u>\$ 23,932</u>	<u>\$ 15,597</u>